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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 4, 2002

APPLICATION OF

NEW ERA ENERGY, INC.

CASE NO. PUE-2002-00514

For a license to conduct  
business as an electric  
aggregator

ORDER GRANTING LICENSE

On September 12, 2002, New Era Energy, Inc. ("New Era" or "the Company"), filed an application with the State Corporation Commission ("Commission") for a license to provide competitive electric aggregation services. Pursuant to the Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules"), 20 VAC 5-312-10 et seq., the Company requested authority to serve residential, commercial and industrial customers in the electric retail access programs throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice. The Company attested in its application that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B.

On September 23, 2002, the Commission issued its Order For Notice and Comment. That Order docketed the application,

directed New Era to provide notice of its application upon appropriate persons, including the utilities identified in Attachment A to the Order, and invited comments to be filed on the application.

The Company filed proof of this notice on October 2, 2002. No comments on New Era's application were filed.

The Staff filed its Report on October 16, 2002, concerning New Era's technical and financial fitness to provide competitive electric aggregation services. In its Report, the Staff summarized New Era's proposal in which it plans to aggregate electric customers. The Staff noted in its report that, under the model of aggregation proposed, New Energy will not receive compensation directly from customers. Rather, customers will purchase electricity from a competitive service provider ("CSP") and will pay the CSP directly.

The Staff evaluated New Era's financial condition and technical fitness, and concluded that New Era possesses the ability to provide electric aggregation services for residential, commercial and industrial customers throughout Virginia. As such, the Staff recommended that a license be granted to New Era for the provision of electric aggregation services. However, the Staff recommended that, if New Era's business plan changes in the future to include direct

compensation from consumers, the Company's financial fitness should be reviewed.

Although New Era had no comments on the Staff Report, the Company did provide a clarification of its business plan through a memo sent to the Staff on October 18, 2002. In the memo, the Company stated that, while New Era will not be compensated directly by customers in the customers' purchase of electricity from a CSP, it is possible that the Company may receive compensation for other services such as consulting services or equipment sales.

NOW UPON consideration of New Era's application for a permanent license to conduct competitive electric aggregation services to residential, commercial and industrial retail customers throughout the Commonwealth, the Staff's Report, and the Company's October 18, 2002 memo, the Commission is of the opinion and finds that New Era's request should be granted.

Accordingly, IT IS ORDERED THAT:

(1) New Era shall be granted License No. A-13 for the provision of competitive electric aggregation services to residential, commercial and industrial retail customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) Failure of New Era to comply with the Retail Access Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such license, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(4) This matter shall remain open pending the receipt of any reports required by the Retail Access Rules, as well as any subsequent amendments or modifications to the license granted herein.